



National Board of Navigation

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SHIPOWNER'S SAFETY MANAGEMENT SYSTEM

The International Maritime Organization (IMO) has developed the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management Code, ISM Code) to enhance maritime safety and environment protection. The Code was adopted by the Assembly in Resolution A.741(18) on 4 November 1993. For the time being, the ISM Code is a recommendation, which should be implemented on a national basis as soon as possible, but not later than 1 June 1998. National legislation on a safety management system is already being drafted in Finland.

The objective of the safety management system is that the organization and the management procedures of shipowners and of ships operated by them shall ensure the compliance with regulations on maritime safety and environment protection. The system shall clearly specify the responsibilities of both shore-based and shipboard personnel.

According to the safety management system set out in the ISM Code, the shipowner shall have a written safety management policy and associated guidelines for the implementation of this policy. Furthermore, the Administration shall verify that the safety management system is functioning properly.

The safety management system of the ISM Code corresponds to the quality management system set out in the ISO 9000 standard series, as applied to maritime safety. To the extent appropriate, the system will be audited in accordance with the ISO 10011 standard series. The audit contains a comparison of the documentation with the requirements of the ISM Code, and an operational audit.

This circular contains interim guidelines on procedures for approval of shipowners' safety management systems, and the ISM Code in English. Detailed instructions on the application of the Code can be received from the National Board of Navigation on request.

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**INTERIM GUIDELINES ON PROCEDURES FOR APPROVAL OF SHIPOWNERS'
SAFETY MANAGEMENT SYSTEMS**

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INTERIM GUIDELINES ON PROCEDURES FOR APPROVAL OF SHIPOWNERS' SAFETY MANAGEMENT SYSTEMS

Issued by the Finnish National Board of Navigation on 30 March 1994

1 Application

- 1.1 These guidelines set out the procedures for approval of the safety management systems of shipowners in accordance with the ISM Code.
- 1.2 These guidelines are applied to:
 - .1 Finnish shipowners and ships;
 - .2 foreign shipowners and ships operating in Finnish domestic traffic; and
 - .3 foreign passenger ships which make regular calls at Finnish ports.
- 1.3 For the time being, the implementation of safety management systems complying with the ISM Code is voluntary.

2 Definitions

In these guidelines:

- .1 the "shipowner" means the owner of the ship or any other organization or person (e.g. Manager, Bareboat Charterer) who operates the ship and who has taken over all or part of the responsibilities and duties imposed by the ISM Code;
- .2 the "ISM Code" means the following code adopted by the International Maritime Organization (IMO):

IMO Resolution A.741(18) (adopted on 4 November 1993).
International Management Code for the Safe Operation of Ships and
for Pollution Prevention (International Safety Management (ISM)
Code); and
- .3 the "Board" means the Finnish National Board of Navigation.

3 Audits

3.1 General

- 3.1.1 The purpose of the audit is to verify that the shipowner's safety management system complies with the requirements of the ISM Code.
- 3.1.2 The audit includes a documentation audit and an operational audit.
- 3.1.3 All confidential information received during audits is kept secret by the Board and its auditors.

3.2 Preliminary discussion

- 3.2.1 Before finalizing the safety management system, the shipowner may request a preliminary discussion, where the Board evaluates the completeness of the shipowner's safety management system.
- 3.2.2 The shipowner shall present all documentation on the safety management system. The Board pays special attention to whether the documentation covers all necessary aspects of the ISM Code, but will not deal with the contents and the method of presentation in any detail. On the basis of the presentation the Board may suggest certain changes to the system.

3.3 Application for audit

- 3.3.1 Having documented and implemented the safety management system, the shipowner may make a written application for an audit.
- 3.3.2 The Board nominates an audit team for each organization to be audited.

3.4 Preliminary meeting

- 3.4.1 At the beginning of the audit there shall be a preliminary meeting, where
 - .1 the audit team is introduced to the management of the shipowner;
 - .2 the shipowner presents his contact person, with whom the audit team shall keep in contact;
 - .3 the scope of the audit, the arrangements for it and the availability of all necessary documentation is agreed upon;
 - .4 the shipowner presents his safety management system and associated documentation;
 - .5 a preliminary time schedule for the various parts of the audit is prepared;
 - .6 the delivery (extent and date) of all relevant documentation to the audit team is agreed upon.

3.5 Documentation audit

- 3.5.1 The audit team inspects the documentation of the safety management system and gives a statement to the shipowner's contact person. In its statement the audit team presents any non-conformities noted for rectification.
- 3.5.2 The shipowner shall rectify all non-conformities in the documentation and shall present the corrected documents for reconsideration before the operational audit may start. The operational audit may, however, start before all non-conformities have been corrected, if the audit team considers that these are no hindrance to the operational audit.

3.6 Operational audit

- 3.6.1 During the operational audit the audit team shall interview shore-based and shipboard personnel responsible for safety matters and follow up operations affecting safety in order to verify that operations are in compliance with the shipowner's safety management system.
- 3.6.2 The audit team gives a written statement of the operational audit to the shipowner's contact person. Additionally, it informs those responsible of any non-conformities noted.
- 3.6.3 Having verified that the corrections have been made, the audit team shall decide to what extent it is necessary to reaudit the system.

3.7 Final statement

- 3.7.1 The audit team shall consider its observations and decide which ones of them shall be reported in writing to the shipowner as non-conformities to be rectified.
- 3.7.2 Having completed the audit, the audit team shall give a final statement, where it assesses to what extent the shipowner's safety management system complies with the ISM Code.

4 **Certificates**

- 4.1 Provided that the final statement of the audit team is positive, the Board shall issue a Document of Compliance with the ISM Code to the shipowner and a Safety Management Certificate to the audited ships.
- 4.2 The Board may also issue the certificates mentioned in paragraph 4.1 on the basis of audits carried out by an organization authorized by the Board, or may accept the audits of such organizations as part of the required audits.
- 4.3 The certificates are valid for a period of five years. The Board may decide that the period of validity is less than five years, provided it considers this necessary on the basis of observations made during the audits.
- 4.4 The certificates are valid on the following conditions:
 - .1 the approved safety management system is adhered to by the shore-based and shipboard organizations;
 - .2 the shipowner readily informs the Board of any amendments to their safety management system and gives an evaluation of the effects of the amendments. On the basis of the effects of such amendments, the Board shall decide whether it is necessary to carry out a special audit to verify that the amendments are complied with;
 - .3 follow-up audits are carried out in the shipowner's shore-based and shipboard organizations to verify that the safety management system is adhered to. Such audits are carried out by the Board or by an organization approved by it.

- 4.5 If the Board finds out that the grounds on which the certificates have been issued are being disregarded, the Board may cancel the certificates or appoint a time during which the non-conformities are to be rectified.
- 4.6 In order to renew the certificates, the shipowner shall apply for a periodical audit, which includes auditing according to section 3, as far as the Board deems necessary. The time of the audit shall be decided upon at least three months but not more than six months before the expiry date of the certificates.

5 Fees

- 5.1 The fees for audits and inspections are provided for elsewhere in the legislation.

6 Entry into force

- 6.1 These guidelines shall enter into force on 15 April 1994.

Helsinki, 30 March 1994

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ASSEMBLY - 18th session
Agenda item 11

RESOLUTION A.741(18)
adopted on 4 November 1993

INTERNATIONAL MANAGEMENT CODE FOR THE SAFE OPERATION
OF SHIPS AND FOR POLLUTION PREVENTION
(INTERNATIONAL SAFETY MANAGEMENT
(ISM) CODE)

THE ASSEMBLY,

RECALLING Article 15(j) of the Convention on the International Maritime Organization concerning the functions of the Assembly in relation to regulations and guidelines concerning maritime safety and the prevention and control of marine pollution from ships,

RECALLING ALSO resolution A.680(17), by which it invited Member Governments to encourage those responsible for the management and operation of ships to take appropriate steps to develop, implement and assess safety and pollution prevention management in accordance with the IMO Guidelines on management for the safe operation of ships and for pollution prevention,

RECALLING ALSO resolution A.596(15), by which it requested the Maritime Safety Committee to develop, as a matter of urgency, guidelines, wherever relevant, concerning shipboard and shore-based management and its decision to include in the work programme of the Maritime Safety Committee and the Marine Environment Protection Committee an item on shipboard and shore-based management for the safe operation of ships and for the prevention of marine pollution, respectively,

RECALLING FURTHER resolution A.441(XI), by which it invited every State to take the necessary steps to ensure that the owner of a ship which flies the flag of that State provides such State with the current information necessary to enable it to identify and contact the person contracted or otherwise entrusted by the owner to discharge his responsibilities for that ship in regard to matters relating to maritime safety and the protection of the marine environment,

RECALLING FURTHER resolution A.443(XI), by which it invited Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities in regard to maritime safety and the protection of the marine environment,

RECOGNIZING the need for appropriate organization of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection,

RECOGNIZING ALSO that the most important means of preventing maritime casualties and pollution of the sea from ships is to design, construct, equip and maintain ships and to operate them with properly trained crews in compliance with international conventions and standards relating to maritime safety and pollution prevention,

NOTING that the Maritime Safety Committee is developing requirements for adoption by Contracting Governments to the International Convention for the Safety of Life at Sea (SOLAS), 1974, which will make compliance with the Code referred to in operative paragraph 1 mandatory,

CONSIDERING that the early implementation of that Code would greatly assist in improving safety at sea and protection of the marine environment,

NOTING FURTHER that the Maritime Safety Committee and the Marine Environment Protection Committee have reviewed resolution A.680(17) and the Guidelines annexed thereto in developing the Code,

HAVING CONSIDERED the recommendations made by the Maritime Safety Committee at its sixty-second session and by the Marine Environment Protection Committee at its thirty-fourth session,

1. ADOPTS the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code), set out in the Annex to the present resolution;
2. STRONGLY URGES Governments to implement the ISM Code on a national basis, giving priority to passenger ships, tankers, gas carriers, bulk carriers and mobile offshore units, which are flying their flags, as soon as possible but not later than 1 June 1998, pending development of the mandatory applications of the Code;
3. REQUESTS Governments to inform the Maritime Safety Committee and the Marine Environment Protection Committee of the action they have taken in implementing the ISM Code;
4. REQUESTS the Maritime Safety Committee and the Marine Environment Protection Committee to develop Guidelines for the implementation of the ISM Code;
5. REQUESTS ALSO the Maritime Safety Committee and the Marine Environment Protection Committee to keep the Code and its associated Guidelines, under review and to amend them as necessary;
6. REVOKES resolution A.680(17).

ANNEX

INTERNATIONAL MANAGEMENT CODE FOR THE SAFE OPERATION OF SHIPS AND FOR
POLLUTION PREVENTION (INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE)

SAFETY AND POLLUTION PREVENTION MANAGEMENT REQUIREMENTS

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PREAMBLE

1 The purpose of this Code is to provide an international standard for the safe management and operation of ships and for pollution prevention.

2 The Assembly adopted resolution A.443(XI) by which it invited all Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities with regard to maritime safety and the protection of the marine environment.

3 The Assembly also adopted resolution A.680(17) by which it further recognized the need for appropriate organization of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection.

4 Recognizing that no two shipping companies or shipowners are the same, and that ships operate under a wide range of different conditions, the Code is based on general principles and objectives.

5 The Code is expressed in broad terms so that it can have a widespread application. Clearly, different levels of management, whether shore-based or at sea, will require varying levels of knowledge and awareness of the items outlined.

6 The cornerstone of good safety management is commitment from the top. In matters of safety and pollution prevention it is the commitment, competence, attitudes and motivation of individuals at all levels that determines the end result.

1 GENERAL

1.1 Definitions

1.1.1 "International Safety Management (ISM) Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Assembly, as may be amended by the Organization.

1.1.2 "Company" means the Owner of the ship or any other organization or person such as the Manager, or the Bareboat Charterer, who has assumed the responsibility for operation of the ship from the Shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by the Code.

1.1.3 "Administration" means the Government of the State whose flag the ship is entitled to fly.

1.2 Objectives

1.2.1 The objectives of the Code are to ensure safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, to the marine environment, and to property.

1.2.2 Safety management objectives of the Company should, inter alia:

- .1 provide for safe practices in ship operation and a safe working environment;
- .2 establish safeguards against all identified risks; and
- .3 continuously improve safety management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.

1.2.3 The safety management system should ensure:

- .1 compliance with mandatory rules and regulations; and
- .2 that applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry organizations are taken into account.

1.3 Application

The requirements of this Code may be applied to all ships.

1.4 Functional requirements for a Safety Management System (SMS)

Every Company should develop, implement and maintain a Safety Management System (SMS) which includes the following functional requirements:

- .1 a safety and environmental protection policy;
- .2 instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag State legislation;
- .3 defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;
- .4 procedures for reporting accidents and non-conformities with the provisions of this Code;
- .5 procedures to prepare for and respond to emergency situations; and
- .6 procedures for internal audits and management reviews.

2 SAFETY AND ENVIRONMENTAL PROTECTION POLICY

2.1 The Company should establish a safety and environmental protection policy which describes how the objectives, given in paragraph 1.2, will be achieved.

2.2 The Company should ensure that the policy is implemented and maintained at all levels of the organization both ship based as well as shore based.

3 COMPANY RESPONSIBILITIES AND AUTHORITY

3.1 If the entity who is responsible for the operation of the ship is other than the owner, the owner must report the full name and details of such entity to the Administration.

3.2 The Company should define and document the responsibility, authority and interrelation of all personnel who manage, perform and verify work relating to and affecting safety and pollution prevention.

3.3 The Company is responsible for ensuring that adequate resources and shore based support are provided to enable the designated person or persons to carry out their functions.

4 DESIGNATED PERSON(S)

To ensure the safe operation of each ship and to provide a link between the company and those on board, every company, as appropriate, should designate a person or persons ashore having direct access to the highest level of management. The responsibility and authority of the designated person or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and to ensure that adequate resources and shore based support are applied, as required.

5 MASTER'S RESPONSIBILITY AND AUTHORITY

5.1 The Company should clearly define and document the master's responsibility with regard to:

- .1 implementing the safety and environmental protection policy of the Company;
- .2 motivating the crew in the observation of that policy;
- .3 issuing appropriate orders and instructions in a clear and simple manner;
- .4 verifying that specified requirements are observed; and
- .5 reviewing the SMS and reporting its deficiencies to the shore based management.

5.2 The Company should ensure that the SMS operating on board the ship contains a clear statement emphasizing the Master's authority. The Company should establish in the SMS that the master has the overriding authority and the responsibility to make decisions with respect to safety and pollution prevention and to request the Company's assistance as may be necessary.

6 RESOURCES AND PERSONNEL

6.1 The Company should ensure that the master is:

- .1 properly qualified for command;
- .2 fully conversant with the Company's SMS; and
- .3 given the necessary support so that the Master's duties can be safely performed.

6.2 The Company should ensure that each ship is manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements.

6.3 The Company should establish procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties. Instructions which are essential to be provided prior to sailing should be identified, documented and given.

6.4 The Company should ensure that all personnel involved in the Company's SMS have an adequate understanding of relevant rules, regulations, codes and guidelines.

6.5 The Company should establish and maintain procedures for identifying any training which may be required in support of the SMS and ensure that such training is provided for all personnel concerned.

6.6 The Company should establish procedures by which the ship's personnel receive relevant information on the SMS in a working language or languages understood by them.

6.7 The Company should ensure that the ship's personnel are able to communicate effectively in the execution of their duties related to the SMS.

7 DEVELOPMENT OF PLANS FOR SHIPBOARD OPERATIONS

The Company should establish procedures for the preparation of plans and instructions for key shipboard operations concerning the safety of the ship and the prevention of pollution. The various tasks involved should be defined and assigned to qualified personnel.

8 EMERGENCY PREPAREDNESS

8.1 The Company should establish procedures to identify, describe and respond to potential emergency shipboard situations.

8.2 The Company should establish programmes for drills and exercises to prepare for emergency actions.

8.3 The SMS should provide for measures ensuring that the Company's organization can respond at any time to hazards, accidents and emergency situations involving its ships.

9 REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURENCES

9.1 The SMS should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Company, investigated and analysed with the objective of improving safety and pollution prevention.

9.2 The Company should establish procedures for the implementation of corrective action.

10 MAINTENANCE OF THE SHIP AND EQUIPMENT

10.1 The Company should establish procedures to ensure that the ship is maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements which may be established by the Company.

10.2 In meeting these requirements the Company should ensure that:

- .1 inspections are held at appropriate intervals;
- .2 any non-conformity is reported with its possible cause, if known;
- .3 appropriate corrective action is taken; and
- .4 records of these activities are maintained.

10.3 The Company should establish procedures in SMS to identify equipment and technical systems the sudden operational failure of which may result in hazardous situations. The SMS should provide for specific measures aimed at promoting the reliability of such equipment or systems. These measures should include the regular testing of stand-by arrangements and equipment or technical systems that are not in continuous use.

10.4 The inspections mentioned in 10.2 as well as the measures referred to 10.3 should be integrated in the ship's operational maintenance routine.

11 DOCUMENTATION

11.1 The Company should establish and maintain procedures to control all documents and data which are relevant to the SMS.

11.2 The Company should ensure that:

- .1 valid documents are available at all relevant locations;
- .2 changes to documents are reviewed and approved by authorized personnel; and
- .3 obsolete documents are promptly removed.

11.3 The documents used to describe and implement the SMS may be referred to as the "Safety Management Manual". Documentation should be kept in a form that the Company considers most effective. Each ship should carry on board all documentation relevant to that ship.

12 COMPANY VERIFICATION, REVIEW AND EVALUATION

12.1 The Company should carry out internal safety audits to verify whether safety and pollution prevention activities comply with the SMS.

12.2 The Company should periodically evaluate the efficiency and when needed review the SMS in accordance with procedures established by the Company.

12.3 The audits and possible corrective actions should be carried out in accordance with documented procedures.

12.4 Personnel carrying out audits should be independent of the areas being audited unless this is impracticable due to the size and the nature of the Company.

12.5 The results of the audits and reviews should be brought to the attention of all personnel having responsibility in the area involved.

12.6 The management personnel responsible for the area involved should take timely corrective action on deficiencies found.

13 CERTIFICATION, VERIFICATION AND CONTROL

13.1 The ship should be operated by a Company which is issued a document of compliance relevant to that ship.

13.2 A document of compliance should be issued for every Company complying with the requirements of the ISM Code by the Administration, by an organization recognized by the Administration or by the Government of the country, acting on behalf of the Administration in which the Company has chosen to conduct its business. This document should be accepted as evidence that the Company is capable of complying with the requirements of the Code.

13.3 A copy of such a document should be placed on board in order that the Master, if so asked, may produce it for the verification of the Administration or organizations recognized by it.

13.4 A Certificate, called a Safety Management Certificate, should be issued to a ship by the Administration or organization recognized by the Administration. The Administration should, when issuing the certificate, verify that the Company and its shipboard management operate in accordance with the approved SMS.

13.5 The Administration or an organization recognized by the Administration should periodically verify the proper functioning of the ship's SMS as approved.

